



General Assembly

Amendment

January Session, 2009

LCO No. **5942**

HB0671705942HDO

Offered by:

REP. DONOVAN, 84th Dist.

SEN. WILLIAMS, 29th Dist.

To: House Bill No. **6717**

File No.

Cal. No.

***"AN ACT CONCERNING THE CAPITOL AREA DISTRICT HEATING
AND COOLING SYSTEM."***

1 Strike subsection (h) of section 1 and insert the following in lieu
2 thereof:

3 "(h) For the provision of energy products and services, the
4 Commissioner of Public Works shall periodically invoice and collect a
5 pro rata share of the costs described in this subsection from each state
6 agency and owner or tenant of the buildings on the Capitol Area
7 System that are not owned by the state, to the extent not prohibited by
8 contracts in effect as of November 4, 2008. The Commissioner of Public
9 Works shall periodically submit proposed rate setting methods and
10 proposed rates to the Secretary of the Office of Policy and
11 Management for the secretary's approval. No such method or rate shall
12 be effective without the secretary's approval. Rates shall be based on:
13 (1) A pro rata share of all costs of acquiring the system, including all
14 costs for legal and consultant services; (2) a pro rata share of the cost of
15 such energy products or services, whether produced by the state or

16 purchased from third parties; (3) a pro rata share of any and all costs of
17 operating, maintaining and repairing said system, including the cost of
18 services provided by vendors and the cost of equipment; (4) a pro rata
19 share of an amount determined to be necessary for long-term capital
20 improvements or replacement, which amount shall be specifically
21 identified in the Public Works Heating and Cooling Energy Revolving
22 Account, and allocated for long-term capital improvements or
23 replacement; (5) a pro rata share of the Department of Public Works'
24 personnel costs related to the operation, maintenance, repair and
25 improvement of the Capitol Area System, provided not more than one
26 full-time employee of the department shall be allocated to the system;
27 and (6) a pro rata share of the cost of other products or services
28 incurred and permitted by this section. Not more than forty-five days
29 after receipt of a proposed rate setting method or a proposed rate from
30 the commissioner, the Secretary of the Office of Policy and
31 Management shall approve or disapprove such proposed method or
32 rate. If the secretary fails to act on such proposed method or rate
33 within such period, the commissioner's proposal shall be deemed to
34 have been approved. On a quarterly basis, the Commissioner of Public
35 Works shall transmit to the General Fund any portion of the costs that
36 are attributable to the provisions of subdivision (1) of this subsection."

37 Strike sections 3 and 4 in their entirety and insert the following in
38 lieu thereof:

39 "Sec. 3. (*Effective from passage*) (a) For the purposes described in
40 subsection (b) of this section, the State Bond Commission shall have
41 the power, from time to time, to authorize the issuance of bonds of the
42 state in one or more series and in principal amounts not exceeding in
43 the aggregate ten million six hundred thousand dollars.

44 (b) The proceeds of the sale of said bonds, to the extent of the
45 amount stated in subsection (a) of this section, shall be used by the
46 Department of Public Works for the purpose of the sale provided for in
47 section 1 of this act, for the Capitol Area System and the assets and
48 property of TEN Companies, Inc., related to said system, as set forth in

49 the Asset Purchase Agreement between TEN Companies, Inc., and the
50 state of Connecticut dated November 4, 2008.

51 (c) All provisions of section 3-20 of the general statutes, or the
52 exercise of any right or power granted thereby, which are not
53 inconsistent with the provisions of this section are hereby adopted and
54 shall apply to all bonds authorized by the State Bond Commission
55 pursuant to this section, and temporary notes in anticipation of the
56 money to be derived from the sale of any such bonds so authorized
57 may be issued in accordance with said section 3-20 and from time to
58 time renewed. Such bonds shall mature at such time or times not
59 exceeding twenty years from their respective dates as may be provided
60 in or pursuant to the resolution or resolutions of the State Bond
61 Commission authorizing such bonds. None of said bonds shall be
62 authorized except upon a finding by the State Bond Commission that
63 there has been filed with it a request for such authorization which is
64 signed by or on behalf of the Secretary of the Office of Policy and
65 Management and states such terms and conditions as said commission,
66 in its discretion, may require. Said bonds issued pursuant to this
67 section shall be general obligations of the state and the full faith and
68 credit of the state of Connecticut are pledged for the payment of the
69 principal of and interest on said bonds as the same become due, and
70 accordingly and as part of the contract of the state with the holders of
71 said bonds, appropriation of all amounts necessary for punctual
72 payment of such principal and interest is hereby made, and the State
73 Treasurer shall pay such principal and interest as the same become
74 due.

75 Sec. 4. (*Effective from passage*) (a) For the purposes described in
76 subsection (b) of this section, the State Bond Commission shall have
77 the power, from time to time, to authorize the issuance of bonds of the
78 state in one or more series and in principal amounts not exceeding in
79 the aggregate one million dollars.

80 (b) The proceeds of the sale of said bonds, to the extent of the
81 amount stated in subsection (a) of this section, shall be used by the

82 Department of Public Works for the transactional costs related to the
83 purchase of the Capitol Area System, as provided in section 1 of this
84 act, including the state's insurance costs, the state's legal fees,
85 reimbursement to TEN Companies, Inc., for prepaid property taxes, a
86 reasonable amount for start-up funding for the Public Works Heating
87 and Cooling Energy Revolving Account, as established in section 1 of
88 this act, and for the purchase and installation of pipe necessary for the
89 operation of the Capitol Area System, including the cost of pipe and its
90 installation as the interconnection between the supply and return lines
91 of the Capitol Area System at or near the point of interconnection
92 between the Capitol Area System and TEN Companies, Inc.'s other
93 district energy system located in the downtown area of the city of
94 Hartford.

95 (c) All provisions of section 3-20 of the general statutes, or the
96 exercise of any right or power granted thereby, which are not
97 inconsistent with the provisions of this section are hereby adopted and
98 shall apply to all bonds authorized by the State Bond Commission
99 pursuant to this section, and temporary notes in anticipation of the
100 money to be derived from the sale of any such bonds so authorized
101 may be issued in accordance with said section 3-20 and from time to
102 time renewed. Such bonds shall mature at such time or times not
103 exceeding twenty years from their respective dates as may be provided
104 in or pursuant to the resolution or resolutions of the State Bond
105 Commission authorizing such bonds. None of said bonds shall be
106 authorized except upon a finding by the State Bond Commission that
107 there has been filed with it a request for such authorization which is
108 signed by or on behalf of the Secretary of the Office of Policy and
109 Management and states such terms and conditions as said commission,
110 in its discretion, may require. Said bonds issued pursuant to this
111 section shall be general obligations of the state and the full faith and
112 credit of the state of Connecticut are pledged for the payment of the
113 principal of and interest on said bonds as the same become due, and
114 accordingly and as part of the contract of the state with the holders of
115 said bonds, appropriation of all amounts necessary for punctual

116 payment of such principal and interest is hereby made, and the State
117 Treasurer shall pay such principal and interest as the same become
118 due."